
BARRAMUNDI LIMITED
INTERIM FINANCIAL STATEMENTS CONTENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Page
Statement of Comprehensive Income	1
Statement of Changes in Equity	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Interim Financial Statements	5

BARRAMUNDI LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Notes	6 months ended 31/12/19 unaudited \$000	6 months ended 31/12/18 unaudited \$000
Interest income		16	47
Dividend income		1,798	1,569
Net changes in fair value of financial assets and liabilities	2	12,939	(11,913)
Other losses	3	(109)	(128)
Total net income/(loss)		14,644	(10,425)
Operating expenses	4	(1,704)	(885)
Operating profit/(loss) before tax		12,940	(11,310)
Total tax expense		(252)	(895)
Net operating profit/(loss) after tax		12,688	(12,205)
Other comprehensive income		0	0
Total comprehensive income/(loss) after tax		12,688	(12,205)
<hr/>			
Basic earnings per share	6	6.95c	-7.29c
Diluted earnings per share	6	6.89c	-7.29c

The accompanying notes form an integral part of these financial statements.

BARRAMUNDI LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019


	Notes	<i>Attributable to shareholders of the company</i>			
		Share Capital \$000	Performance Fee Reserve \$000	Accumulated Deficits \$000	Total Equity \$000
Balance at 1 July 2018 (audited)		139,492	1,002	(23,330)	117,164
Comprehensive loss					
Net operating loss after tax		0	0	(12,205)	(12,205)
Other comprehensive income		0	0	0	0
Total comprehensive loss for the period ended 31 December 2018		0	0	(12,205)	(12,205)
Transactions with owners					
Warrant issue costs		(27)	0	0	(27)
Dividends paid	5	0	0	(4,726)	(4,726)
Shares issued from treasury stock under dividend reinvestment plan	5	178	0	0	178
New shares issued under dividend reinvestment plan	5	1,530	0	0	1,530
Share buybacks	5	(252)	0	0	(252)
Prior year Manager's performance fee settled with ordinary shares		917	(923)	0	(6)
Prior year Manager's performance fee settled with treasury stock		79	(79)	0	0
Total transactions with owners for the period ended 31 December 2018		2,425	(1,002)	(4,726)	(3,303)
Balance at 31 December 2018 (unaudited)		141,917	0	(40,261)	101,656
Balance at 1 July 2019 (audited)		143,286	0	(24,987)	118,299
Comprehensive income					
Net operating profit after tax		0	0	12,688	12,688
Other comprehensive income		0	0	0	0
Total comprehensive income for the period ended 31 December 2019		0	0	12,688	12,688
Transactions with owners					
Shares issued for warrants exercised	5	18,437	0	0	18,437
Warrant issue costs		(15)	0	0	(15)
Dividends paid	5	0	0	(5,322)	(5,322)
Shares issued from treasury stock under dividend reinvestment plan	5	734	0	0	734
New shares issued under dividend reinvestment plan	5	1,140	0	0	1,140
Share buybacks	5	(688)	0	0	(688)
Total transactions with owners for the period ended 31 December 2019		19,608	0	(5,322)	14,286
Balance at 31 December 2019 (unaudited)		162,894	0	(17,621)	145,273


The accompanying notes form an integral part of these financial statements.

BARRAMUNDI LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31/12/19 unaudited \$000	30/06/19 audited \$000
SHAREHOLDERS' EQUITY		145,273	118,299
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents		6,458	2,269
Trade and other receivables		39	343
Financial assets at fair value through profit or loss	2	139,767	116,490
Total Current Assets		146,264	119,102
TOTAL ASSETS		146,264	119,102
LIABILITIES			
Current Liabilities			
Trade and other payables		591	202
Financial liabilities at fair value through profit or loss	2	119	17
Current tax payable		281	535
Total Current Liabilities		991	754
Non-current Liabilities			
Deferred tax liability		0	49
Total Non-current Liabilities		0	49
TOTAL LIABILITIES		991	803
NET ASSETS		145,273	118,299

These financial statements have been authorised for issue for and on behalf of the Board by:


A B Ryan
Chair
24 February 2020


C A Campbell
Chair of the Audit and Risk Committee
24 February 2020

The accompanying notes form an integral part of these financial statements.

BARRAMUNDI LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

		6 months ended 31/12/19 unaudited \$000	6 months ended 31/12/18 unaudited \$000
	Notes		
Operating Activities			
Sale of listed equity investments		16,746	16,301
Interest received		16	51
Dividends received		1,972	1,867
Other losses incurred		(70)	(66)
Purchase of listed equity investments		(28,639)	(20,018)
Operating expenses		(1,332)	(2,231)
Taxes paid		(555)	(246)
Net settlement of forward foreign exchange contracts		1,807	1,888
Net cash outflows from operating activities	7	(10,055)	(2,454)
Financing Activities			
Proceeds from warrants exercised		18,437	0
Warrant issue costs		(15)	(27)
Share buybacks		(688)	(270)
Dividends paid (net of dividends reinvested)		(3,448)	(3,018)
Net cash inflows/(outflows) from financing activities		14,286	(3,315)
Net increase/(decrease) in cash and cash equivalents held		4,231	(5,769)
Cash and cash equivalents at beginning of the period		2,269	7,644
Effects of foreign currency translation on cash balance		(42)	(69)
Cash and cash equivalents at end of the period		6,458	1,806

In the current period, cash flow from operating activities in relation to realisation and settlement of forward foreign exchange contracts are disclosed separately. Accordingly, comparatives have been reclassified to conform with current period presentation.

The accompanying notes form an integral part of these financial statements.

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Note 1 Basis of Accounting

Reporting Entity

Barramundi Limited ("Barramundi" or "the Company") is listed on the NZX Main Board, is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The Company's registered office is Level 1, 67-73 Hurstmere Road, Takapuna, Auckland.


Basis of Preparation

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the International Accounting Standard 34 *Interim Financial Reporting* and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting*.


The interim financial statements do not include all of the information required for full year financial statements and should be read in conjunction with the Company's annual financial report for the year ended 30 June 2019.

These interim financial statements cover the unaudited results from operations for the six months ended 31 December 2019.

Accounting Policies

The Company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2019 full year financial statements. Accounting policies that are relevant to an understanding of the financial statements are designated by a  symbol.

Critical Judgements, Estimates and Assumptions

The preparation of interim financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements are designated by a  symbol in the notes to the interim financial statements. There were no material estimates or assumptions required in the preparation of these interim financial statements.

Authorisation of Interim Financial Statements

The Barramundi Board of Directors authorised these interim financial statements for issue on 24 February 2020.

No party may change these financial statements after their issue.

Note 2 Financial assets and liabilities at fair value through profit or loss



Given that the investment portfolio is managed, and performance is evaluated on a fair value basis in accordance with a documented investment strategy, Barramundi has classified all its investments at fair value through profit or loss.

The fair value of investments traded in active markets are based on last sale prices at balance date, except where the last sale price falls outside the bid-ask spread for a particular investment, in which case the bid price will be used to value the investment.

The fair value of forward foreign exchange contracts is determined by using valuation techniques based on spot exchange rates and forward points supplied by The World Markets Company PLC via Refinitiv.

	31/12/19 unaudited \$000	30/06/19 audited \$000
Financial assets and liabilities at fair value through profit or loss		
<i>Financial Assets:</i>		
Australian listed equity investments	139,767	115,540
Forward foreign exchange contracts	0	950
Total financial assets at fair value through profit or loss	139,767	116,490
<i>Financial Liabilities:</i>		
Forward foreign exchange contracts	119	17
Total financial liabilities at fair value through profit or loss	119	17

The notional value of forward foreign exchange contracts held at 31 December 2019 was \$96,753,910 (30 June 2019: \$76,440,015).



All equity investments held by Barramundi are categorised as Level 1 and all forward foreign exchange contracts are classified as Level 2 in the fair value hierarchy. There have been no transfers between levels of the fair value hierarchy during the period (31 December 2018: none).

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Note 2 Financial assets and liabilities at fair value through profit or loss (continued)

	6 months ended 31/12/19 unaudited \$000	6 months ended 31/12/18 unaudited \$000
Net changes in fair value of financial assets and liabilities		
Australian listed equity investments	12,833	(10,968)
Foreign exchange losses on Australian listed equity investments	(648)	(3,424)
Gains on forward foreign exchange contracts	754	2,479
Net changes in fair value of financial assets and liabilities	12,939	(11,913)

Note 3 Other losses

Foreign exchange losses on cash and cash equivalents	(109)	(128)
Total other losses	(109)	(128)

Note 4 Operating expenses

Management fees (note 8)	840	457
Performance fees (note 8)	378	0
Administration services (note 8)	79	79
Directors' fees (note 8)	87	88
Brokerage	117	93
Investor relations and communications	83	73
Custody and accounting fees	25	24
NZX fees	27	27
Professional fees	27	9
Fees paid to the auditor:		
Statutory audit and review of financial statements	15	14
Non-assurance services ¹	0	3
Regulatory expenses	6	4
Other operating expenses	20	14
Total operating expenses	1,704	885

¹ Non-assurance services in the prior period relate to annual shareholders meeting procedures. No other fees were paid to the auditor during the period (31 December 2018: nil).

Note 5 Shareholders' equity

Share Capital

Barramundi has 205,227,572 fully paid ordinary shares on issue (30 June 2019: 172,081,073). All ordinary shares rank equally and have no par value. All shares carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

Buybacks

Barramundi maintains an ongoing share buyback programme. In the six month period to 31 December 2019, Barramundi acquired 1,084,899 (31 December 2018: 401,191) shares under the programme which allows up to 5% of the ordinary shares on issue (as at the date 12 months prior to the acquisition) to be acquired. Shares acquired under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan. There were no shares held as treasury stock at balance date (30 June 2019: 33,210).

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Note 5 Shareholders' equity (continued)

Warrants

On 1 November 2018, 42,153,796 Barramundi warrants were allotted and quoted on the NZX Main Board. One new warrant was issued to all eligible shareholders for every four shares held on record date (31 October 2018). On 1 November 2019, 31,249,518 warrants were exercised at \$0.59 per warrant, and the remaining 10,904,278 warrants lapsed.

Dividends

Barramundi has a distribution policy where 2% of average NAV is distributed each quarter. Dividends paid during the period comprised:

	2019	Cents per		2018	Cents per
	\$000	share		\$000	share
26 Sep 2019	2,390	1.39	28 Sep 2018	2,337	1.40
19 Dec 2019	2,932	1.44	21 Dec 2018	2,389	1.42
	5,322	2.83		4,726	2.82

Dividend Reinvestment Plan

Barramundi has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares at a 3% discount to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the period ended 31 December 2019, 2,981,870 ordinary shares (31 December 2018: 2,873,545 ordinary shares) were issued in relation to the plan for the quarterly dividends paid. To participate in the dividend reinvestment plan, a completed participation notice must be received by Barramundi before the next record date.

Note 6 Earnings per Share

	6 months	6 months
	ended	ended
	31/12/19	31/12/18
	unaudited	unaudited
Basic earnings per share		
Profit/(loss) attributable to owners of the Company (\$'000)	12,688	(12,205)
Weighted average number of ordinary shares on issue net of treasury stock ('000)	182,572	167,531
Basic earnings per share	6.95c	-7.29c
Diluted earnings per share		
Profit/(loss) attributable to owners of the Company (\$'000)	12,688	(12,205)
Weighted average number of ordinary shares on issue net of treasury stock ('000)	182,572	167,531
Diluted effect of warrants on issue ('000)	1,702	0
	184,274	167,531
Diluted earnings per share	6.89c	-7.29c

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Note 7	Reconciliation of Net Operating Profit/(Loss) after Tax to Net Cash Outflows from Operating Activities	6 months ended 31/12/19 unaudited \$000	6 months ended 31/12/18 unaudited \$000
	Net operating profit/(loss) after tax	12,688	(12,205)
	Items not involving cash flows:		
	Unrealised losses on cash and cash equivalents	41	69
	Unrealised (gains)/losses on revaluation of investments	(9,478)	17,374
	Unrealised losses/(gains) on forward foreign exchange contracts	1,053	(591)
		(8,384)	16,852
	Impact of changes in working capital items		
	Increase/(decrease) in fees and other payables	389	(2,234)
	Decrease in trade and other receivables	304	32
	Change in current and deferred tax	(303)	649
		390	(1,553)
	Items relating to investments		
	Amount paid for purchases of investments	(28,639)	(20,018)
	Amount received from sales of investments	16,746	16,301
	Net amount received on settlement of forward foreign exchange contracts	1,807	1,888
	Realised gains on investments	(4,514)	(4,870)
	Increase in unsettled purchases of investments	0	1,133
	Decrease in unsettled sales of investments	(149)	0
		(14,749)	(5,566)
	Other		
	Decrease in share buybacks payable	0	18
		0	18
	Net cash outflows from operating activities	(10,055)	(2,454)

Note 8 **Related Party Information**



Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Transactions with related parties

The Manager of Barramundi is Fisher Funds Management Limited ("Fisher Funds" or "the Manager"). Fisher Funds is a related party by virtue of the Management Agreement. In return for the performance of its duties as Manager, Fisher Funds is paid the following fees:

(i) **Management fee:** 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. The fee reduces if the Manager underperforms, thereby aligning the Manager's interests with those of the Barramundi shareholders. For every 1% underperformance (relative to the change in the NZ 90 Day Bank Bill Index) the management fee percentage is reduced by 0.1%, subject to a minimum 0.75% per annum management fee. As at 31 December 2019, a management fee rebate has not been accrued (31 December 2018: a management fee rebate of 0.5% totalling \$269,022 was accrued in accordance with the Management Agreement, and recognised in trade and other receivables in the Statement of Financial Position).

(ii) **Performance fee:** Fisher Funds may earn an annual performance fee of 10% plus GST (31 December 2018: 15% plus GST) of excess returns over and above the performance fee hurdle return (being the change in the NZ 90 Day Bank Bill Index plus 7%) subject to achieving the High Water Mark ("HWM"). From 1 July 2019 the total performance fee amount is subject to a cap of 1.25% of the net asset value and is paid 100% in cash.

The HWM is the dollar amount by which the net asset value per share exceeds the highest net asset value per share (after adjustment for capital changes and distributions) at the end of any previous calculation period in which a performance fee was payable, multiplied by the number of shares at the end of the period.

Note 8 Related Party Information (continued)

Transactions with related parties (continued)

(ii) Performance fee (continued):

For the period ended 31 December 2019, excess returns of \$3,725,076 (31 December 2018: \$nil) were generated and the net asset value per share before the deduction of a performance fee was \$0.71 (31 December 2018: \$0.60), which exceeded the HWM after adjustment for capital changes and distributions of \$0.59 (31 December 2018: \$0.67). Accordingly, the Company has expensed a performance fee of \$378,096 in the Statement of Comprehensive Income for the period ended 31 December 2019 (31 December 2018: \$nil).

(iii) Administration fee: Fisher Funds provides corporate administration services and a fee is payable monthly in arrears.

	6 months ended 31/12/19 unaudited \$000	6 months ended 31/12/18 unaudited \$000
Fees earned, accrued and payable:		
Fees earned by and accrued to the Manager		
Management fees	840	726
Management fee rebate	0	(269)
Performance fees	378	0
Administration services	79	79
Total fees earned by and accrued to the Manager	1,297	536
	31/12/19 unaudited \$000	30/06/19 audited \$000
Fees payable to the Manager		
Management fees	158	124
Performance fees payable	378	0
Administration services	13	13
Total amount payable to the Manager	549	137

Investments by the Manager

The Manager held shares in the Company until August 2019 when its holding was sold (30 June 2019: 1.28% of total shares on issue). Dividends were also paid to the Manager as a result of its shareholding.

Investment transactions with related parties

Off-market transactions between Barramundi and other funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price (on an arm's length basis). Purchases for the period ended 31 December 2019 totalled \$3,388,954 (31 December 2018: \$nil) and sales totalled \$55,960 (31 December 2018: \$464,230).

Directors

The directors of Barramundi are the only key management personnel and they are paid a fee for their services. The directors' fee pool is \$157,500 (plus GST if any) per annum (30 June 2019: \$157,500). The amount paid to directors is disclosed in note 4.

The directors or their associates also held shares in the Company at 31 December 2019 which total 2.35% of total shares on issue (30 June 2019: 1.20%) and previously held warrants on issue totalling 1.22% at 30 June 2019. Dividends were also received by the directors as a result of their shareholding.

Note 9 Net Asset Value

The unaudited net asset value per share of Barramundi as at 31 December 2019 was \$0.71 (30 June 2019: \$0.69), calculated as the net assets of \$145,273,109 divided by the number of shares on issue of 205,227,572 (30 June 2019: net assets of \$118,299,331 and shares on issue of 172,081,073).

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Note 10 Subsequent Events

On 24 February 2020, the Board declared a dividend of 1.45 cents per share. The record date for this dividend is 13 March 2020 with a payment date of 27 March 2020.

There were no other events which require adjustment to or disclosure in these interim financial statements.



Independent review report

To the shareholders of Barramundi Limited

Report on the interim financial statements

We have reviewed the accompanying interim financial statements of Barramundi Limited (the Company) on pages 1 to 10, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period ended on that date, and notes to the interim financial statements.

Directors' responsibility for the interim financial statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. As the auditor of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

We are independent of the Company. Other than in our capacity as auditors, we have no relationship with, or interests in, the Company.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of the Company do not present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the period then ended, in accordance with IAS 34 and NZ IAS 34.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

Chartered Accountants
24 February 2020

Auckland

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